Alberta Gaming and Liquor Commission

BUSINESS PLAN 2008-11

The Alberta Gaming and Liquor Commission

The Alberta Gaming and Liquor Commission (AGLC) operates under the authority of the *Gaming and Liquor Act*. Its structure includes:

- ***A seven-member board that is appointed by the government and reports directly to the Solicitor General and Minister of Public Security.*** The board develops gaming and liquor policy to ensure Alberta's gaming and liquor industries are well regulated and managed on behalf of the people of the province. The board ensures the powers and duties of the AGLC are appropriately carried out through the Chief Executive Officer. Board members also conduct hearings and make decisions respecting licences and registrations, and are responsible for any other functions assigned to it.

- ***An administrative arm that manages the ongoing operations of the organization.*** The Chief Executive Officer of the Commission's administration reports to the board. This structure facilitates clear lines of communication and ensures policy implementation is consistent and operations run effectively and efficiently.

The AGLC's role – through its board and administrative arm – is to administer the *Gaming and Liquor Act* and related legislation. The AGLC is responsible for regulating Alberta's charitable gaming activities and conducting and managing provincial gaming activities. It also controls the manufacture, importation, sale, purchase, possession, storage, transportation, use and consumption of liquor in Alberta.

Gaming activities contribute to Albertans' quality of life by providing opportunities for charitable groups to raise funds directly for their valuable work, by providing entertainment options to adults in Alberta, and by providing funding used by government to support volunteer, public, and community-focused initiatives. In 2006-2007, charitable and religious organizations raised approximately $279 million through licensed gaming activities under Alberta's unique charitable gaming model. In addition, over $1.5 billion of gaming proceeds is provided annually to volunteer groups, public, and community-based initiatives through the Alberta Lottery Fund.

Alberta's privatized liquor industry provides increased choice to consumers. As of July 2007, a total of 23,395 liquor products were registered with the AGLC, with 14,207 products being available through 1,157 stores across the province. The private sector operates the retailing, warehousing, and distribution of liquor in Alberta and the AGLC licenses and regulates the industry. The province receives more than $658 million annually through the mark-up on liquor products sold in Alberta.

Our VISION

We strive to balance choice with social responsibility and provide opportunities for competition and enhanced service in Alberta's gaming and liquor industries.

Our MISSION

To ensure gaming and liquor activities in Alberta are conducted with integrity and social responsibility and to maximize long term economic benefits for Albertans.

GUIDING PRINCIPLES

The AGLC has adopted the following guiding principles for gaming and liquor in Alberta. These guiding principles are subject to ongoing review to ensure they continue to reflect Albertans' values.

1. The integrity of gaming and liquor activities will be ensured.
2. Gaming and liquor policies and activities will reflect our commitment to social responsibility.
3. Gaming and liquor policies will be supported by sound research and consultation with the public and stakeholders.
4. The collection and use of gaming and liquor revenue will be open and accountable.
5. Gaming activities will provide quality entertainment to consumers and keep gaming dollars in Alberta.
6. Alberta's liquor industry will continue to be among the most progressive and competitive in the country and continue to lead the nation in terms of supply, distribution, pricing and customer service.
7. The financial return to eligible groups from charitable gaming and from ticket lotteries and electronic gaming is to be maximized for the benefit of Albertans.

Our VALUES

The AGLC is committed to operating according to the following values. We will:

1. Act with integrity and in a fair and impartial manner;
2. Balance social responsibility and economic benefit;
3. Foster clear, open and courteous communication with stakeholders;
4. Achieve excellence in customer service;
5. Nurture a working environment characterized by teamwork, collaboration, and open communication;
6. Embrace innovation and continuous improvement in our products, services and business processes; and
7. Serve as responsible stewards of assets entrusted to us, maintaining our accountability to the Province of Alberta.

Our CORE BUSINESSES

The AGLC has three core businesses:

1. License and regulate liquor activities.
2. License and regulate charitable gaming activities.
3. Conduct and manage provincial gaming activities.

The AGLC is also responsible for the Alberta Lottery Fund. The AGLC has a memorandum of understanding with Alberta Finance to provide enforcement and investigative services related to the *Tobacco Tax Act* and the *Fuel Tax Act*.

SIGNIFICANT OPPORTUNITIES AND CHALLENGES

Emerging trends and changing preferences impact the gaming and liquor businesses in Alberta. As such, the AGLC needs to be cognizant of the opportunities and challenges resulting from these trends in order to be able to meet strategic priorities and business needs.

Being Responsible: A cornerstone of Alberta's approach to its gaming and liquor industries is that all activities are conducted in a socially responsible manner. The AGLC will continue to develop and manage programs and projects that support responsible gaming and the responsible use of alcohol, both within and with outside partners.

Managing Growth in the Gaming Industry: The gaming industry is operating in a dynamic environment characterized by a strong provincial economy and growing population. Several new casinos, including First Nations casinos, will open in Alberta over the next three years. The AGLC will continue to carefully manage and control the growth of the gaming industry in Alberta through rigorous licensing processes and the use of a model which evaluates all new facility and expansion proposals to ensure there is room in the market, and that the facility would provide benefit to charities.

Evolving Liquor Industry: The AGLC will ensure the integrity of the liquor industry by investigating potential threats to ongoing operations and continuing to administer rigorous processes for the licensing of applicants. The AGLC will take a more active role in the management of the liquor supply chain to ensure stability of the supply chain. With the short term recommendations resulting from the Liquor Supply Chain Review now implemented, including performance measures for the warehouse, the focus will shift to implementation of a long-term strategy during this business planning cycle.

Technology: The global gaming industry is characterized by rapidly evolving communications and entertainment technologies driven by increasing consumer demand for high quality gaming products and services. New gaming distribution channels, including the Internet and other media, are altering the gaming landscape. The AGLC will continue to keep abreast of these new technologies and their impact on AGLC strategic priorities.

Public Values and Expectations: Albertans expect the gaming and liquor industries will continue to operate with integrity, be accountable, and balance choice with responsibility. While Albertans have indicated they are satisfied with the conduct of the liquor business and legal gaming -- 79% of Albertans are satisfied with the conduct of the liquor business in Alberta, and 74% are satisfied with the conduct of legal gaming in Alberta -- the AGLC must continue its efforts in assessing Albertans' evolving expectations and to take their views into account when determining future directions.

LINK TO THE GOVERNMENT OF ALBERTA'S TOP PRIORITIES

The AGLC's contribution to the attainment of the Government of Alberta's top priorities relates primarily to *Enhancing value-added activity, increasing innovation, and improving the long-run sustainability of Alberta's economy* and *Reducing crime so Albertans feel safe in their communities.*

Enhancing value-added activity, increasing innovation, and improving the long-run sustainability of Alberta's economy: The private sector has opportunity to exercise innovation and participate in Alberta's liquor industry as suppliers or private agents representing suppliers, as warehouser and through the retailing of liquor products. As the only jurisdiction in Canada with a fully-privatized system, Alberta's liquor model provides opportunities for thousands of individuals and private businesses. The AGLC recognizes the importance of timely distribution of liquor products to licensees and will continue to monitor Alberta's liquor warehousing and distribution supply chain, and to take an active role in ensuring the needs of stakeholders are met.

With increasing numbers of Albertans and more disposable income per capita, leisure activities such as gaming are attracting more participants. In its strategic decisions, the AGLC weighs (1) integrity, (2) social responsibility,

(3) Albertans' right to personal choice, and (4) economic benefits. Private sector and non-profit organizations continue to have opportunities to participate in Alberta's gaming industry while growth is carefully managed and controlled through rigorous licensing processes.

Reducing crime so Albertans feel safe in their communities: The AGLC will be undertaking a number of initiatives to support this strategy, including creating the Alberta Safer Bars Council, a multi-sectoral stakeholder advisory group which will review best practices with the goal of improving safety to licensed premises. Reducing violence and increasing safety are the goals of ProTect, a training program administered by the AGLC for security staff working at Alberta's bars, nightclubs, and other licensed establishments. Additionally, the Alberta Server Intervention Program (ASIP) promotes responsible liquor service in Alberta. The AGLC conducts regular, on-site inspections to ensure that liquor licensees and gaming operations across the province comply with legislation and policy. The AGLC is enhancing enforcement of the *Gaming and Liquor Act* by conducting yearly reviews of penalties for violations of legislation and Board policies, including over-service and after-hours service. The AGLC will continue to work with the Alberta Alcohol and Drug Abuse Commission (AADAC) and other partners and experts to promote responsible gaming behaviour and the responsible consumption of alcohol, including promoting an Alberta Alcohol Strategy which will provide direction and recommend key actions to support a culture of moderation and reduce alcohol-related harm.

CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

Core Business One: License and regulate liquor activities.

GOAL ONE 1 **Liquor activities are conducted with integrity and in a socially responsible manner.**

What it means

The AGLC regulates all liquor activities in accordance with legislation, regulation and policy to ensure that liquor activities are conducted with integrity and encourage the responsible sale and consumption of liquor.

Strategies

1.1 Conduct regular reviews of policies in consultation with stakeholders to protect the integrity of liquor activities and to ensure Alberta's liquor industry remains progressive and competitive and meets current and future consumer demands.

1.2 Monitor Albertans' attitudes and preferences and emerging trends to ensure liquor products and services continue to be delivered in a socially responsible manner consistent with expectations of Albertans.

1.3 Conduct inspections of licensed premises and investigate all complaints concerning liquor activities.

1.4 Ensure stability in the liquor supply chain and that all liquor revenues are collected and distributed in a timely manner and in accordance with legislation and AGLC policy.

1.5 Together with Alberta Finance, review provincial liquor markup policy to ensure consistency with overall government revenue policies.

1.6 Ensure beverage container management within the liquor industry is conducted according to the Beverage Container Recycling Regulation.

1.7 Work in collaboration with the liquor industry, the Alberta Alcohol and Drug Abuse Commission (AADAC), government ministries, and other stakeholders to develop initiatives that encourage the responsible sale and consumption of liquor.

1.8 Work with government ministries, the liquor industry and other stakeholders to address Fetal Alcohol Spectrum Disorder.

1.9 Implement the action plan developed in response to the 2005-06 Roundtables to address the issue of violence in and around licensed premises in collaboration with the Department of Alberta Solicitor General and Public Security, police services, municipalities, and industry stakeholders.

1.10 In partnership with AADAC, develop and implement an Alberta Alcohol Strategy.

Performance Measures		Last Actual (2006-07)	Target 2008-09	Target 2009-10	Target 2010-11
1.a	Percentage of liquor licensees who comply with legislation, regulations and policy.	96%	95%	95%	95%
1.b	Percentage of Albertans surveyed who are satisfied that liquor is provided in a responsible manner.	95%	95%	95%	95%
1.c	Percentage of Albertans surveyed who are aware of prevention and treatment programs for alcohol abuse.	93%	90%	90%	90%

GOAL TWO 2 Liquor licensing activities are effective, efficient and economical.

What it means

Under Alberta's unique retail liquor model, the AGLC licenses and regulates the liquor industry according to the *Gaming and Liquor Act* and Regulation, other provincial and federal legislation and AGLC policies. The private sector operates the warehousing, distribution and retailing of liquor in Alberta.

Strategies

2.1 License eligible applicants in accordance with legislation and policies focusing on integrity and providing excellence in customer service.

2.2 Register liquor products to be offered for sale in Alberta to ensure compliance with provincial legislation, regulation and policy.

2.3 Educate licensees and registrants about the legislation, policies, and operating guidelines.

2.4 Ensure all agents and suppliers are aware of labeling, trademarks, and trade agreement requirements.

2.5 Enhance customer service through the implementation of electronic service delivery initiatives.

Performance Measures		Last Actual (2006-07)	Target 2008-09	Target 2009-10	Target 2010-11
2.a	Percentage of liquor licences and registrations completed within established timeframes.	100%	98%	98%	98%
2.b	Percentage of liquor industry clients who are satisfied with the level of service provided by the AGLC.	83%	95%	95%	95%

Core Business Two: License and regulate charitable gaming activities.

GOAL THREE **3** **Charitable gaming activities are conducted with integrity and in a socially responsible manner.**

What it means

The AGLC regulates all charitable gaming activities in accordance with legislation, regulation and policy to ensure that gaming activities are conducted with integrity and delivered in a manner that encourages responsible gaming.

Strategies

3.1 Monitor emerging trends and conduct regular reviews of policies in consultation with stakeholders to ensure the integrity of charitable gaming activities and to ensure policies meet the expectations of Albertans.

3.2 Ensure charities receive all funds to which they are entitled, that the use of proceeds are reported in a timely manner and that proceeds are used for purposes consistent with the requirements of the *Criminal Code* (Canada) and AGLC Policy.

3.3 Conduct due diligence investigations including complete criminal and financial background reviews for all gaming facility licensees and gaming suppliers.

3.4 Conduct inspections and audits of gaming licensees and activities.

3.5 Investigate all complaints and alleged violations concerning gaming activities.

3.6 Work with the gaming industry, AADAC and other stakeholders to develop, implement and evaluate initiatives that encourage responsible gaming.

3.7 Ensure charities participating in gaming events are aware of responsible and problem gambling initiatives, programs and resources.

Performance Measures		Last Actual (2006-07)	Target 2008-09	Target 2009-10	Target 2010-11
3.a	Percentage of charitable gaming activities that are conducted in accordance with legislation, regulation and policy.	99%	95%	95%	95%
3.b	Percentage of charitable gaming financial reports produced within established timeframes.	86%	85%	85%	85%
3.c	Percentage of Albertans surveyed who are satisfied that the charitable gaming activity they participated in was provided fairly and in a responsible manner.	95%	95%	95%	95%

GOAL FOUR **4** **Charitable gaming licensing activities are effective, efficient and economical.**

What it means

Charities and religious organizations benefit directly from the proceeds from casino, pull-ticket, raffle and bingo events. The AGLC licenses and regulates these gaming activities according to the *Gaming and Liquor Act* and Regulation and board policy.

Strategies

4.1 License eligible applicants in accordance with legislation and policies, focusing on integrity and providing excellence in customer service.

4.2 Ensure due diligence in the licensing process related to the eligibility of charitable organizations for charitable gaming licences and use of proceeds.

4.3 Enhance licensees' and applicants' understanding of gaming legislation and policies through the delivery of the Gaming Information for Charitable Groups (GAIN) program.

4.4 Continue to work with First Nations to implement the charitable gaming model for on-reserve casinos.

4.5 Work with gaming operators, gaming suppliers and charities to ensure that charitable gaming activities maximize benefits to charities.

4.6 Enhance customer service through the implementation of electronic service delivery initiatives.

4.7 Inform Albertans about charitable gaming and its support of the non-profit and volunteer groups' community work.

Performance Measures		Last Actual (2006-07)	Target 2008-09	Target 2009-10	Target 2010-11
4.a	Percentage of charitable gaming licences and registrations completed within established timeframes.	99%	98%	98%	98%
4.b	Percentage of charitable gaming licensees who are satisfied with the level of service provided by the AGLC.	94%	95%	95%	95%

Core Business Three: Conduct and manage provincial gaming activities.

GOAL FIVE **5** **The availability and delivery of provincial gaming products and activities are balanced with consumer demand, social responsibility, and economic benefit to Albertans.**

What it means

The AGLC is responsible for the conduct and management of all provincial lotteries in Alberta under the authority of the *Criminal Code* (Canada), other federal and provincial legislation and policy. The AGLC offers a variety of provincial gaming products to Albertans, including ticket lotteries and electronic gaming entertainment choices (video lottery terminals, slot machines, and electronic bingo). The AGLC provides ticket lotteries and Keno in collaboration with the Western Canada Lottery Corporation (WCLC). The AGLC is committed to ensuring that the availability of these gaming activities is balanced between consumer demand, social responsibility, and economic benefit to meet the current and future needs of consumers, communities and Albertans.

Strategies

5.1 Progressively leverage technology to protect the integrity of electronic gaming, and improve business efficiency and responsiveness. Provide product offerings and distribution channels consistent with consumer demand and business needs.

5.2 Monitor emerging trends and Albertans' attitudes, preferences and information needs to ensure quality provincial gaming products and services continue to be delivered in a socially responsible manner consistent with expectations of Albertans.

5.3 Evaluate current responsible gaming initiatives to assess their effectiveness in encouraging responsible gaming behaviour.

5.4 Work with AADAC and the gaming industry to enhance the Voluntary Self Exclusion Program and ensure gaming retailers incorporate responsible gaming information and programs in gaming venues.

5.5 Work in collaboration with the gaming industry, other jurisdictions, AADAC and other stakeholders to develop, implement and evaluate new initiatives that encourage responsible gaming.

5.6 Inform Albertans about the Alberta Lottery Fund and how funds significantly benefit communities across Alberta.

5.7 Ensure the AGLC is appropriately positioned to address gaming product trends, emerging technologies, and alternative distribution channels.

Performance Measures		Last Actual (2006-07)	Target 2008-09	Target 2009-10	Target 2010-11
5.a	Percentage of Albertans satisfied with the availability of gaming products and activities.	73%	70%	70%	70%
5.b	Percentage of Albertans surveyed who are satisfied that the provincial gaming activity they participated in was provided fairly and in a responsible manner.	91%	85%	85%	85%
5.c	Percentage of Albertans surveyed who are aware of prevention and treatment programs for problem gambling.	89%	90%	90%	90%

GOAL SIX

6 Gaming operations are effective, efficient, economical and conducted with integrity.

What it means

The AGLC works with private sector retailers to deliver gaming entertainment choices in accordance with legislation and policy and to ensure provincial gaming operations are effective, efficient, economical and conducted with integrity.

Strategies

6.1 Implement the approved direction regarding the WCLC and AGLC relationship.

6.2 Manage agreements with gaming retailers in accordance with legislation and policies, focusing on integrity and providing excellence in customer service.

6.3 Ensure effective asset management for all electronic gaming terminals and other gaming equipment.

6.4 Ensure the security and integrity of electronic gaming terminals and other equipment through tracking key performance indicators, responding to anomalies and investigating all complaints, including those regarding the ticket lottery retail network.

6.5 Enhance the functionality of gaming reporting systems and other business management systems.

6.6 Ensure resources and supporting technologies meet the current and future service demands of the various gaming networks and the service expectations of retailers and consumers.

6.7 Educate retailers and operators about legislation, policies, and operating guidelines.

6.8 Liaise with other jurisdictions and industry to assess best practices and maintain the integrity of Alberta's gaming industry.

Performance Measures		Last Actual (2006-07)	Target 2008-09	Target 2009-10	Target 2010-11
6.a	Percentage of retailers satisfied with AGLC services related to VLTs, slot machines and ticket lotteries.	98%	95%	95%	95%
6.b	Percentage of gaming integrity issues resolved within established timeframes.	93%	93%	93%	93%

SUPPORTING CORE BUSINESSES AND CORPORATE OBJECTIVES

The strategies and actions that are undertaken to carry out the core businesses are supported by services in human resources, information systems, corporate services, and communications.

HUMAN RESOURCE DEVELOPMENT STRATEGIES

The AGLC cares about its employees' health, their professional and personal development and the contribution they make to the community. The AGLC continues to align its human resource strategies with those of the government's Corporate Human Resource Development Strategy. Key strategies include:

- monitoring emerging human resource trends, such as an aging workforce, changing attitudes and expectations, changing technology and skills requirements, and proactively addressing them;
- providing opportunities for employees to develop a healthy balance between their professional commitments and their personal lives by continuing to examine workload issues;
- attracting, motivating and retaining the right skill mix to achieve the organization's current and future business objectives;
- providing opportunities for continuous learning to ensure the organization has the knowledge, skills and abilities to meet current business objectives and future challenges;
- ensuring the performance goals of individual employees are aligned with those of the organization;
- enhancing performance management processes and ensuring effective employee recognition practices are in place; and
- supporting continuity of operations and the professional development of employees through succession and career planning.

INFORMATION SYSTEMS STRATEGIES

The AGLC is an innovative user of current technology in support of our business requirements. Key information system strategies include:

- protecting revenue streams and corporate data by maintaining all corporate and gaming systems with the highest levels of integrity, security and availability;
- identifying and adopting technology improvements that enhance current business requirements, efficiencies and responsiveness;
- investigating emerging technologies and developing applications to ensure that systems and infrastructure meet the growing and changing business requirements of the organization, including the need to proactively address threats emerging from new technologies; and
- under a Memorandum of Understanding (MOU) with the Ministry of Tourism, Parks, Recreation and Culture, supply limited information systems support to the Lottery Funding Programs Branch.

CORPORATE SERVICES STRATEGIES

The AGLC is committed to efficient and effective management of resources entrusted to it. The corporate services functions encompass revenue collection and banking, financial reporting and payments, payroll, purchasing, liquor product pricing, property and asset management, information security, and strategic services. Key strategies include:

- enhancing financial management and reporting, including the security and control of cash collections, treasury functions, payments, and payroll;
- anticipating environmental changes and their impact by conducting environmental scanning on trends and issues affecting the gaming and liquor industries;
- conducting research and analysis to develop policy options and recommendations as well as integrated strategic, business, and operational plans, performance measures, and risk assessments;
- maximizing utilization, maintenance and operations of facilities;
- enhancing security procedures for the collection and use of corporate information;
- developing, implementing and maintaining a corporate business resumption plan; and

- administering the Alberta Lottery Fund, including liaising with Government Ministries in the development of Lottery Fund estimates.

COMMUNICATIONS STRATEGIES

The AGLC is committed to communicating with internal and external stakeholders on key business activities and initiatives. Key strategies include:

- providing Albertans, key stakeholder groups, and staff with up-to-date information on AGLC programs and initiatives through a variety of communication vehicles including websites, news releases and fact sheets;
- planning and implementing communications activities that support the AGLC's business objectives and Business Plan goals;
- acting as the AGLC liaison and spokesperson with local, provincial and national media;
- liaising with government ministries and other provincial agencies to enhance public awareness of gaming and liquor policies and province-wide initiatives; and
- monitoring public opinion to better understand Albertans' expectations and priorities to develop effective AGLC communications strategies.

Alberta Gaming and Liquor Commission
Statement of Operations
(thousands of dollars)

	Comparable					
	2006-07 Actual	2007-08 Budget	2007-08 Forecast	2008-09 Budget	2009-10 Target	2010-11 Target
REVENUE						
Gaming operations						
Video Lottery Terminal	735,066	705,188	705,188	679,115	679,115	679,115
Casino Gaming Terminal	707,185	748,055	818,055	851,992	926,264	944,789
Ticket Lottery	227,314	200,686	200,686	214,013	218,293	222,659
	1,669,565	1,653,929	1,723,929	1,745,120	1,823,672	1,846,563
Liquor operations						
Liquor	661,621	654,795	674,795	693,113	706,975	721,115
Other Income	17,949	12,359	12,359	15,700	18,797	18,797
	679,570	667,154	687,154	708,813	725,772	739,912
Total Revenue	2,349,135	2,321,083	2,411,083	2,453,933	2,549,444	2,586,475
EXPENSE						
Gaming operations	135,731	205,522	185,522	228,702	231,487	235,745
Liquor operations	21,299	24,791	24,791	28,324	31,755	32,689
Total Expense	157,030	230,313	210,313	257,026	263,242	268,434
Net Operating Results	2,192,105	2,090,770	2,200,770	2,196,907	2,286,202	2,318,041